

UNITED STATES DEPARTMENT OF STATE
BUREAU OF POLITICO-MILITARY AFFAIRS
WASHINGTON, D.C. 20520

In the Matter of:)
)
DEFT INSTRUMENTS, N.V.)
Delft, Netherlands)
)
Respondent)

ORDER

The Office of Defense Trade Controls, Bureau of Politico-Military Affairs, United States Department of State (Department), having determined to initiate an administrative proceeding against Delft Instruments, N.V. (Delft) pursuant to § 38(e) of the Arms Export Control Act (the Act) (22 U.S.C. § 2778(e)) and § 127.6 of the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130) (the Regulations) based on allegations that Delft, by and through certain of its subsidiaries, violated § 38(c) of the Act (22 U.S.C. § 2778(c)) and the Regulations, in that Delft, by and through certain of its subsidiaries, transferred or caused to be transferred to Iran and Jordan, in 1988-90, defense articles covered by the U.S. Munitions List (22 C.F.R. § 121.1), without the prior written approval of

the Department of State, as set forth in the proposed Charging Letter;

The Department and Delft having entered into a Consent Agreement whereby the parties have agreed to settle this matter by the payment by Delft to the Department of a civil penalty in the amount of \$800,000.00 (eight hundred thousand dollars), and;

The terms of the Consent Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, a civil penalty in the amount of \$800,000.00 (eight hundred thousand dollars) is assessed against Delft. Delft shall pay the civil penalty to the Department by cashier's check or certified check made payable to the Department of State within ten days of the time of Delft's conviction in the U.S. District Court for the District of Columbia, in the related criminal case;

SECOND, the Department's Notice of March 1, 1991, which suspended, effective January 25, 1991, all existing licenses and other approvals, granted pursuant to § 38 of the Act, that authorize the export or transfer by, for, or to, Delft and any other subsidiary or associated company, of defense articles or defense services, is rescinded;

THIRD, statutory debarment for a period of three years from the date of conviction, with the last two years suspended, is imposed against the defense related entities within Delft. If at any time during the period of suspension there is reason to believe that Delft has violated any provisions of the Act and Regulations, or any of the statutes enumerated in § 38(g)(1), the Department may promptly reimpose statutory debarment;

FOURTH, that the proposed Charging Letter, the Consent Agreement and this Order shall be made available to the public.

This Order becomes effective on the date of conviction in the United States District Court, District of Columbia, of the plea to which Delft and the Department of Justice have agreed in the related criminal case.



Robert L. Gallucci
Assistant Secretary
for Politico-Military Affairs

Entered this 11th day of August
1992